

SECOND AMENDMENT TO THE REPORT AND DECISION ON THE APPLICATION OF OXFORD PLACE ASSOCIATES FOR THE AUTHORIZATION AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS (TER. ED.) CHAPTER 121A AS AMENDED, AND CHAPTER 652 OF THE ACTS OF 1960, TO BE UNDERTAKEN AND CARRIED OUT BY A LIMITED PARTNERSHIP ORGANIZED PURSUANT TO MASSACHUSETTS GENERAL LAWS, CHAPTER 109, AND APPROVAL TO ACT AS AN URBAN REDEVELOPMENT LIMITED PARTNERSHIP UNDER SAID CHAPTER 121A

On August 5, 1982, the Authority voted to adopt a favorable Report and Decision on the 121A Application of the Oxford Place Associates.

The Project consists of 39 units of low-income housing and a 1,700 square foot open park area at 13-25 Oxford Street in the Chinatown-South Cove section of Boston.

Under Section I the unpaginated Report and Decision said:

(4) The Authority further requires as a condition of approval of this application, that all obligations of the Applicant, or of any partner of the Applicant, for unpaid taxes on any property within the City of Boston, shall be discharged by payment, abatement, or other appropriate disposition within six months after the date of final adoption of this Report and Decision.

The allusion to unpaid taxes above refers to \$120,090 plus interest and penalties owed by the Chinese Economic Development Council, Inc., for 1981 and 1982 taxes. The CEDC, Inc., is a partner of Oxford Place Associates under its limited partnership agreement.

The taxes, owed on 22 Boylston Street, Boston, are now in the process of abatement or exemption in accordance with an agreement assented by Counsel for the project, the City Corporation Counsel and the Assessing Department.

The mechanism for allowing the exemption/abatement is to petition the State Commissioner of Revenue to approve under MGL, Chapter 58, Section 8.

On January 28, 1983 Oxford Place Associates, was granted, by the Authority, a First Amendment to the Report and Decision. This granted a six month extension, until August 5, 1983, of time to resolve the tax problem.

At that time a letter from Assessors Board of Review Member, Francis Y. Moynihan stated:

"To summarize, after all abatements/exemptions CEDC will owe the City of Boston a total of \$48,092.00 on 22 Boylston Street and will be in turn due a refund in the amount of \$61,276.00 on 17 Oxford Street." The project property was overassessed in 1981 and 1982.

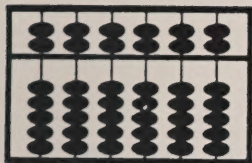
The Applicant has applied for a Second Amendment to the Report and Decision which would grant a further three-month extension of time in which to complete the abatement/exemption process.

On March 10, 1983 Assessing Commissioner Edward Jay petitioned the State Revenue Department for abatement/exemptions under MGL, Chapter 58, Section 8. The matter is still under negotiation.

However, in a letter to the Director dated July 27, 1983, Moynihan states he "fully expects" the petition to be granted.

It is directed that the Report and Decision be amended under Section 1, sub-paragraph (4) line 4 by striking the word "twelve" and inserting the word "fifteen". In addition, the following will be added to subsection (4): In no case will the extension of time granted under this Amendment extend beyond the time for filing a Certificate of Completion of the project.

In the opinion of the Chief General Counsel, this Amendment does not represent a fundamental change and does not require a public hearing. It is therefore recommended that the Authority adopt the Second Amendment to the Application and Report and Decision. All future changes or deviations in the Project to that which is hereby or has been approved will require the approval of the Authority.



CEDC Counts On You

華人經濟發展協會

Chinese Economic Development Council, Inc.

~~20 Hudson Street, Boston, Ma 02111~~

31 Beach Street, 2nd Floor, Boston, MA 02111

Tel. (617) 482-1011

July 27, 1983

Mr. Robert L. Farrell, Esq.
Chairman
Boston Redevelopment Authority
One City Hall Square
Boston, MA 02201

Dear Mr. Farrell,

RE : Oxford Place Associates

On August 5, 1982 the authority voted to adopt a favorable Report and Decision on the 121A Application of Oxford Place Associates a limited partnership.

The project, located at 13-25 Oxford Street, is owned by Oxford Place Associates. CEDC Realty Corp is the General Partner and the Chinese Economic Development Council Inc. is one of the limited partners.

Under Section 1 of the unpaginated Report and Decision, the Board, among other strictures said :

"(4) The Authority further requires as a condition of approval this application, that all obligations, of the applicant, or any partner of the applicant, for unpaid taxes on any property within the City of Boston, shall be discharged by payment, abatement or other appropriate disposition within six months after the date of final adoption of this Report and Decision."

The CEDC, Inc., acquired the building at 22 Boylston Street, Boston, on December 2, 1980. The public hearing and application determined that CEDC, Inc., owed approximately \$120,000 in taxes plus interest and penalties for part of fiscal year 1981 and all of 1982. The CEDC, Inc., had expected to lease the building to a high technology firm to create community jobs. However, the plan was aborted and the CEDC, Inc., encountered financial difficulty. The authority imposed the above-noted strictures in the report and decision as a result of this tax problem.

CEDC Realty Corp and CEDC Inc. then proceeded to negotiate a settlement of this tax problem with the Assessing Department and the Corporation Counsel's Office. The solution agreed to by all parties was to petition the State Department of Revenue for relief under M.G.L. Chapter 58 Section 8.

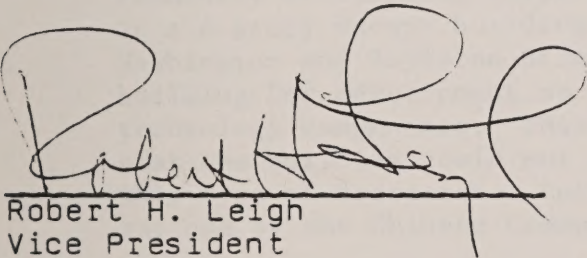
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On March 10, 1981, Mr. Edward Jay the Commissioner of Assessing for the City of Boston, filed a formal request with the Department of Revenue for such relief. This request is still in active negotiations with the Department of Revenue, and while all parties concerned expect a successful resolution in the near future, Oxford Place Associates is facing a real time constraint to obtain a definite resolution to this problem.

On January 28, 1983 the board approved the First Amendment to the Report and Decision on the 121A application of Oxford Place Associates. This amendment basically extended the time allowed to solve the above tax problem on the Boylston Building from 6 months to 12 months, or until August 5, 1983.

Therefore we are requesting the Authority to grant an additional 90 day extension to Oxford Place Associates in order that this situation may be successfully resolved.

Thank you for your consideration in this matter.

Sincerely

A handwritten signature in dark ink, appearing to read "Robert H. Leigh", written over a horizontal line.

Robert H. Leigh
Vice President
CEDC Realty Corp.
General Partner
Oxford Place Associates

Boston

March 10, 1983

Mr. Ira Jackson, Commissioner
Department of Revenue
Saltanstall Building
100 Cambridge Street
Boston, Ma. 02202

Dear Commissioner Jackson,

Please accept this letter as a formal request pursuant to M.G.L. Ch. 58 §8, to abate real estate taxes on a parcel of real property in Boston located at 22 Boylston Street. This building was recently purchased by the Chinese Economic Development Corporation (C.E.D.C.), a community development corporation organized under Ch. 180. The property is a 6-story vacant building in Boston's "Combat Zone" on the corner of Washington and Boylston Streets. C.E.D.C. originally purchased the building for development as a light manufacturing facility for high-technology components. This plan was abandoned after it was learned that the building could not support the heavy machinery required for this type of operation. Current plans call for complete rehabilitation and use by the Chinese Community for retail and office space.

Counsel for the owners asserts that the building was entitled to partial exemption for a portion of FY1981 and all of FY1982. The basis for this assertion is M.G.L. Ch. 59, §5, Cl. 46 (Community Development Corporations). After studying the statute and the Corporation, the Assessing Department agrees that the Corporation is entitled to this exemption. A slight complication exists in that the building did collect rental income for a portion of the building and therefore, according to the statute must pay a tax on that portion. The Assessing Department has determined the following;

FY1981 - The assessed value of the building should have been \$279,000. The building was fully taxable for the period from July 1, 1980 to December 1, 1980 (154 days or 42.2% of the year). The application of the percent fully taxable to the total, $(42.2\% \times 279,000.)$ indicates a taxable value of \$117,738. The remainder of the tax year $1 - 42.2\% = 57.8\%$ the taxpayer is entitled to an exemption of 41.3% of the value of the building (the portion held for Chapter 180 purposes). The remainder or 58.7% is fully taxable. Therefore, $279,000 \times 57.8\% \times 58.7\% = 94,660$ is the taxable value for the portion of the year that the property was held by the tax exempt entity. The sum of the first portion taxable

Kevin H. White, Mayor ASSESSING DEPARTMENT/Boston City Hall/City Hall Plaza 02201

value plus the second portion taxable value is $117,738 + 94,660 = 212,400$. The request for abatement is for the difference between the actual assessment amount for FY1981 of \$327,000 and the correct taxable value of \$212,400 or an abatement amount of \$114,600.

FY1982 - The assessed value of the building should have been \$257,000. During this period, the same conditions were present in terms of the percentage of the property which was fully taxable, 58.7%. The taxable value is $\$257,000 \times 58.7\%$ or \$151,000. The abatement request is for the difference between the actual assessed value for FY1982 of \$327,000 and the taxable value of \$151,000, or $\$327,000 - \$151,000 = \$176,000$.

The following is submitted as required;

1. The abatement relates to FY1981 and FY1982.
2. The total taxes owed for FY1981 is \$44,586.45.
The total taxes owed for FY1982 is \$75,504.30.
3. The amount of tax to be abated for FY1981 is $114,600 \times \text{FY1981 tax rate } (272.70) = \$31,250.00$.
The amount of tax to be abated for FY1982 is $176,000 \times \text{FY1982 tax rate } (230.90) = \$40,640.00$.
4. The total interest owed for FY1981 as of 2/8/83 is \$13,433.85.
The total interest owed for FY1982 as of 2/8/83 is \$13,230.90.
5. The amount of interest to be abated for FY1981 is; 35% of the total (the abatement of tax represents 35% of the total tax), or $35\% \times \$13,433.85 = \$4,700$ plus 35% of any additional interest which accrues between now and the date of actual abatement.
The amount of interest to be abated for FY1982 is; 53% of the total (the abatement of tax represents 53.8% of the total tax), or $53.8\% \times \$13,230.90 = \$7,118.00$ plus 53.8% of any additional interest which accrues between now and the date of actual abatement.
6. The total charges and fees for FY1981 is \$28.00.
The total charges and fees for FY1982 is \$18.00.
7. No abatement is requested for charges and fees levied for FY1981 or for FY1982.
8. a) C.E.D.C. was the owner of the property during the period in which the property became delinquent.
b) C.E.D.C.

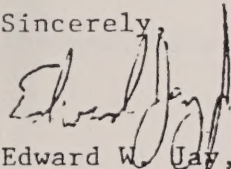
9. Mr. Phillip Gopen, the previous owner of the property filed an abatement application for FY1981. This application was denied for non-payment of the second-half taxes. C.E.D.C. filed an application for abatement for FY1982. This application was denied for non-payment of taxes.

10. The abatement is warranted in the opinion of the Board of Assessors because the statute, M.G.L. Ch. 59, § 5, Cl. 47 indicates that "Real estate owned by an economic development corporation....organized under Ch. 180 [shall be exempt] from the date of such real estate's aquisition...." The granting of the abatement will have no overt impact or benefit on any other taxpayers of this municipality. It will, however, strengthen the general taxpaying public's confidence in the Assessing Department's commitment to fairness and equity in administering the tax laws of the Commonwealth.

The following documents are submitted for your information;

1. Form C.D. 504 6M, from Michael Joseph Conolly, Secretary of State certifying C.E.D.C. as a 180 corporation.
2. Form (178 (Rev. 8-73), from Herbert B. Mosher, District Director I.R.S. exempting C.E.D.C. from federal taxes.
3. Deed, dated December 2, 1980 showing the transfer of the property to C.E.D.C.

Sincerely,



Edward W. Jay, Jr.
Commissioner

EWJ/cz

cc: Leo McNiff Esq.
Francis X. Moynihan, Jr.
Bob Leigh
Paul Murphy Esq.

enclosure

Boston

July 27, 1983

Mr. Robert Ryan, Director
Boston Redevelopment Authority
Boston City Hall
Boston, Ma. 02201

Dear Mr. Ryan,

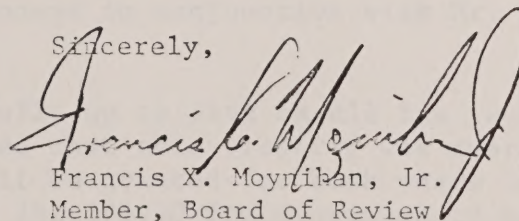
This letter will update the tax status of two properties owned and operated by the Chinese Economic Development Corporation (C.E.D.C.), (22 Boylston Street - The Boylston Building and 17 Oxford Street - Oxford Place).

In my letter to you of January 21, 1983 (attached) I indicated that taxes outstanding on 22 Boylston St. were \$48,092.00 and that 17 Oxford St. was due a refund in the amount of \$61,276.00, the net effect being that the City owed C.E.D.C. a substantial refund.

These estimates were based on projected abatements which have not yet been finalized. I expect that these abatements will be approved and I still expect that a substantial refund will be given to C.E.D.C.

In short the situation has not changed, we are still waiting for the abatements to be finalized.

Sincerely,



Francis X. Moynihan, Jr.
Member, Board of Review

FXM/cz

enclosure

cc: Bob Leigh
William McGrath



Kevin H. White, Mayor/ASSESSING DEPARTMENT/Boston City Hall/City Hall Plaza 02201

Rec
1/21/83

Boston

January 21, 1983

Mr. Robert Ryan, Director
Boston Redevelopment Authority
Boston City Hall
Boston, Ma. 02201

Dear Mr. Ryan,

Mr. Bob Leigh of the Chinese Economic Development Corporation (CEDC) has asked me to write to you to clarify the tax status on two properties owned and operated by CEDC. The properties involved are; 22 Boylston St. (The Boylston Building), and 17 Oxford St. (Oxford Pl.).

Firstly, 22 Boylston Street has outstanding taxes owed for FY1981 in the amount of \$44,586 and for FY1982 in the amount of \$75,504 or a total of \$120,090 plus interest and penalties. The Assessing Department has agreed that the property was overassessed in both years and was also entitled to a partial exemption in both years by reason of the Corporation's (CEDC) status as a tax exempt (ch. 180) corporation. The Department has agreed that the application of the abatement amount and the exemption amount will reduce the total tax liability in FY1981 to \$13,266.00 and in FY1982 to \$34,866.00 or a total of \$48,092.00. The mechanism for the crediting of the abatement/exemption amount in this case is to petition the Commissioner of Revenue to allow the Department to grant the above in accordance with M.G.L. ch. 58, §8, (8 of 58). We fully expect that this request will be granted and we have begun this process in conjunction with Mr. Leo McNiff of the City's Law Department.

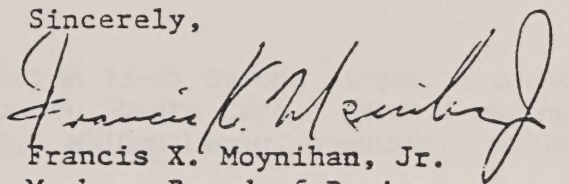
Secondly, 17 Oxford St. is fully up to date on all tax payments. The Assessing Department has determined that this property was overassessed in FY1981 and FY1982. Abatements will be granted for both years and CEDC will receive a refund in the amount of \$61,276.00 for overpayments made in both years.

Mr. Robert Ryan
January 21, 1983
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To summarize, after all abatements/exemptions CEDC will owe the City of Boston a total of \$48,092.00 on 22 Boylston St. and will be due a refund in the amount of \$61,276.00 on 17 Oxford St.

Please contact me if any further information is required.

Sincerely,


Francis X. Moynihan, Jr.
Member, Board of Review

cc: Bob Leigh
Paul Murphy, Esq.
William McGrath

MEMORANDUM

JULY 28, 1983

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: SECOND AMENDMENT TO REPORT AND DECISION
ON THE CHAPTER 121A APPLICATION OF
OXFORD PLACE ASSOCIATES

On August 5, 1982, the Authority voted to adopt a favorable Report and Decision on the 121A Application of Oxford Place Associates, a limited partnership.

The project, located at 13-25 Oxford Street, is owned by the Chinese Economic Development Council Realty Corp., general partner and the Chinese Development Council, Inc., William Leong, president, as limited partner.

Under Section 1 of the unpaginated Report and Decision, the Board, among other strictures said:

"(4) The Authority further requires as a condition of approval of this Application, that all obligations, of the Applicant, or any partner of the Applicant, for unpaid taxes on any property within the City of Boston, shall be discharged by payment, abatement or other appropriate disposition within six months after the date of final adoption of this Report and Decision."

The CEDC, Inc., acquired the building at 22 Boylston Street, Boston, on December 2, 1980. The public hearing and application determined that CEDC, Inc., owned approximately \$120,000 in taxes plus interest and penalties for part of fiscal year 1981 and all of 1982. The CEDC, Inc., had expected to lease the building to a high technology firm to create community jobs. However, the plan was aborted and the CEDC, Inc., encountered financial difficulty. The Authority imposed the above-noted strictures in the Report and Decision as a result of this tax problem.

On January 28, 1983 the Authority approved a First Amendment to the Report and Decision extending the time for settling the tax problem for six months to August 5, 1983.

The July 27, 1983 letter from the CEDC, Inc., (attached) notes that on March 10, 1983 Edward Jay, Commissioner of Assessing filed a formal letter (attached) with the State Department of Revenue seeking abatements/exemptions pursuant to Chapter 58, Section 8 of the Massachusetts General Laws.

Through these negotiations with the State have continued the issues have not as of this date been fully resolved, in part, because of the personnel changes at the State level.

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In his earlier letter (January 21, 1983) Assessors Board of Revenue Member Francis X. Moynihan said:

"To summarize, after all abatement exemptions CEDC will owe the City of Boston \$48,092.00 on 22 Boylston Street and will be due a refund in the amount of \$61,070.00 on 17 Oxford Street."

Moynihan, in a letter dated July 27, 1983 reiterates his position and "fully expects" the assessors petition to be granted.

This amendment for three months will extend for 15 months from the original date of final approval of the Report and Decision to enable the tax problem to be resolved. In no event is the extension to go beyond the filing with this Authority of a Certificate of Completion.

In the opinion of the Chief General Counsel, this Amendment does not represent a fundamental change and does not require a public hearing. It is therefore recommended that the Authority adopt the attached First Amendment to the Application and Report and Decision.

An appropriate vote follows:

VOTED: That the document presented at this meeting entitled "Second Amendment to the Report and Decision on the Application of Oxford Place Associates for the authorization and approval of a project under Massachusetts General Laws (Ter. Ed.) Chapter 121A as amended, and Chapter 652 of the Acts of 1960, to be undertaken and carried out by a limited partnership organized pursuant to Massachusetts General Laws, Chapter 109, and approval to act as an urban redevelopment limited partnership under said Chapter 121A" be and is hereby approved and adopted.